



State of California
Employment Training Panel

Arnold Schwarzenegger, Governor

September 26, 2008

Neil Barth, President
Worldwide Educational Services of California, Inc.
220 Camino Sobrante
Orinda, CA 94563

Dear Ms. Barth:

Enclosed is our final report relative to our review of Worldwide Educational Services of California, Inc.'s compliance with the Employment Training Panel Agreement No. ET03-0147 for the period September 3, 2002 through September 2, 2004.

The report indicates Worldwide Educational Services of California, Inc. complied with the terms of the Agreement and the California Unemployment Insurance Code.

We appreciate the courtesy and cooperation extended to our auditor during the review. If you have any questions, please contact me, Charles Rufo, Audit Director, at (916) 327-5439.

Sincerely,

Original signed by:

Charles Rufo
Audit Director

Enclosures

Worldwide Educational Services
of California, Inc.

Agreement No. ET03-0147

Final Review Report

For The Period

September 3, 2002 through September 2, 2004

Report Published September 26, 2008

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TABLE OF CONTENTS

	<u>Page Number</u>
REVIEW REPORT	
Summary	1
Background	2
Objectives, Scope, and Methodology	2
Conclusion	3
Views of Responsible Officials	3
Appeal Rights	3
Records	4
 <u>ATTACHMENT</u>	
ATTACHMENT A - Appeal Process	

REVIEW REPORT

Summary

We reviewed Worldwide Educational Services of California, Inc.'s compliance with Agreement No. ET03-0147, for the period September 3, 2002 through September 2, 2004. Our review pertained to training costs claimed by the Contractor under this Agreement. Our review was performed during the period April 24, 2007 through August 28, 2007.

The Employment Training Panel (ETP) reimbursed the Contractor a total of \$527,079.08. Our audit supported that the entire \$527,079.08 is allowable.

REVIEW REPORT (continued)

Background

This is the eighth Agreement between ETP and Worldwide Educational Services of California, Inc. (WES). WES is a private training agency based in Concord, California that has responded to the needs of the employer community by providing vocational training in high demand occupations since 1976. WES provided training and placement to unemployment insurance recipients or unemployed individuals who had exhausted their Unemployment Insurance benefits and provided Special Employment Training (SET) for frontline workers in High Unemployment Areas (HUA) of the State.

In this Agreement, WES proposed to provide training in Medical Assistant Skills, Telecommunications/Broadband/Electronics Industry, and Financial Product Services. Trainees designated as SET HUA, were also to receive Literacy Skills training. Upon completion of training, trainees were to be placed in the following occupations: Medical Administrative Assistant, Medical Front Office, Medical Billing Clerk, Broadband Cable & Satellite Installer, Electronic Service Technician, Electronic Tester, Payroll/Billing Clerk, Loan Processor, Bookkeeper, and Accounts Payable/Receivable Clerk.

This Agreement allowed Worldwide Educational Services of California, Inc. to receive a maximum reimbursement of \$714,137.00 for training 138 new-hire trainees. During the Agreement term, the Contractor trained and placed 102 trainees and was reimbursed \$527,079.08 by ETP.

Objectives, Scope, and Methodology

We performed our review by authority of Title 22 California Code of Regulations, Sections 4443 and 4448. Our scope was limited to reviewing the Contractor's compliance with trainee eligibility and post-training requirements specified in the Agreement. We did not review the Contractor's records for compliance with training attendance or other Agreement requirements.

Specifically, our review scope included, but was not limited to, conducting compliance tests to determine whether:

- Trainees were eligible to receive ETP training.
- Trainees, except SET HUA, were employed continuously full-time with a participating employer for 90 consecutive days after completing training, and the 90-day retention period was completed within the Agreement term.

REVIEW REPORT (continued)

- SET HUA trainees were employed full time with no more than two eligible participating employers for at least 90 days within 120 days, and the retention period was completed within the Agreement term.
- Trainees were employed in the occupation for which they were trained and earned the minimum wage required at the end of their employment retention period.

Conclusion Our review supported Worldwide Educational Services of California, Inc. complied with the terms of the Agreement and the California Unemployment Insurance Code. As a result, the entire reimbursed amount of \$527,079.08 is allowable.

Views of Responsible Officials On August 30, 2007, ETP Auditor discussed a review finding for one trainee with Neil Barth, President, during a telephone exit conference. Ms. Barth agreed to repay the disallowance of \$5,718 for one trainee prior to issuance of the final audit report. The Contractor agreed to return the unearned funds to ETP; however, Ms. Barth requested an opportunity to appeal the interest charge upon receipt of the final review report.

On September 11, 2007, ETP received the amount of \$6,148.70, including \$430.70 in accrued interest, from the Contractor. The amount of statutory interest was calculated pursuant to Paragraph 6 of the Agreement.

Appeal Rights If you wish to appeal the statutory interest previously repaid, it must be filed in writing with the Panel's Executive Director within 30 days of receipt of this audit report. The proper appeal procedure is specified in Title 22, California Code of Regulations, Section 4450 (attached).

REVIEW REPORT (continued)

Records

The ETP Agreement, Paragraph 5, requires the Contractor to ensure ETP or its representative has the right, "...to examine, reproduce, monitor and audit accounting source payroll documents, and all other records, books, papers, documents or other evidence directly related to the performance of this Agreement by the Contractor... This right will terminate no sooner than four (4) years from the date of termination of the Agreement or three (3) years from the date of the last payment from ETP to the Contractor, or the date of resolution of appeals, audits, or litigation, whichever is later."

Charles Rufo
Audit Director

Fieldwork Completion Date: August 28, 2007

This report is a matter of public record and its distribution is not limited. The report is intended for use in conjunction with the administration of ETP Agreement No. ET03-0147 and should not be used for any other purpose.

ATTACHMENT A - Appeal Process

4450. Appeal Process.

- (a) An interested person may appeal any final adverse decision made on behalf of the Panel where said decision is communicated in writing. Appeals must be submitted in writing to the Executive Director at the Employment Training Panel in Sacramento.
- (b) There are two levels of appeal before the Panel. The first level must be exhausted before proceeding to the second.
 - (1) The first level of appeal is to the Executive Director, and must be submitted within 30 days of receipt of the final adverse decision. This appeal will not be accepted by the Executive Director unless it includes a statement setting forth the issues and facts in dispute. Any documents or other writings that support the appeal should be forwarded with this statement. The Executive Director will issue a written determination within 60 days of receiving said appeal.
 - (2) The second level of appeal is to the Panel, and must be submitted within 10 days of receipt of the Executive Director's determination. This appeal should include a statement setting forth the appellant's argument as to why that determination should be reversed by the Panel, and forwarding any supporting documents or other writings that were not provided at the first level of appeal to the Executive Director. If the Panel accepts the appeal and chooses to conduct a hearing, it may accept sworn witness testimony on the record.
 - (A) The Panel must take one of the following actions within 45 days of receipt of a second-level appeal:
 - (1) Refuse to hear the matter, giving the appellant written reasons for the denial; or
 - (2) Conduct a hearing on a regularly-scheduled meeting date; or
 - (3) Delegate the authority to conduct a hearing to a subcommittee of one or more Panel members, or to an Administrative Law Judge with the Office of Administrative Hearings.
 - (B) The Panel or its designee may take action to adopt any of the administrative adjudication provisions of the Administrative Procedures Act at Government Code Section 11370 *et seq.*, for the purpose of formulating and issuing its decision. Said action may take place at the hearing, or in preliminary proceedings.
 - (C) Upon completion of the hearing, the record will be closed and the Panel will issue a final ruling. The ruling may be based on a recommendation from the hearing designee. The ruling shall be issued in a writing served simultaneously on the appellant and ETP, within 60 days of the record closure.
- (c) The time limits specified above may be adjusted or extended by the Executive Director or the Panel Chairman for good cause, pertinent to the level of appeal.
- (d) Following receipt of the Panel's ruling, the appellant may petition for judicial review in Superior Court pursuant to Code of Civil Procedure Section 1094.5. This petition must be filed within 60 days from receipt of the Panel's ruling.

Authority: Section 10205(m), Unemployment Insurance Code; Section 11410.40, Government Code.

Reference: Sections 10205(k), 10207, Unemployment Insurance Code.

Effective: April 15, 1995

Amended: December 30, 2006